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**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
Federal-State Joint Board on ) CC Docket No. 96-45  
Universal Service )  
)

To: The Commission

**COMMENTS OF THE PACE TELECOMMUNICATIONS CONSORTIUM**

The PACE Telecommunications Consortium (PACE), through its attorneys, hereby submits these comments on the Federal-State Joint Board's Recommended Decision regarding universal service in the above-captioned proceeding.<sup>1/</sup> PACE supports the Joint Board's recommendations to encourage access by rural and disadvantaged schools to advanced telecommunications services. PACE submits these comments to bring to the Commission's attention its unique and innovative proposal for an advanced communications system in rural Michigan, and to ensure that the rules the Commission adopts will provide support for the components PACE requires to construct its own wireless data system, and not just support for turn-key systems assembled and delivered by commercial providers.

PACE is a cooperative project involving the Michigan Department of Education, the Cheboygan-Otsego-Presque Isle Intermediate School District (COPISD), the Charlevoix-Emmett Intermediate School District, North Central Michigan College, and 20 constituent school districts in Northern Michigan. PACE provides educational and instructional services to approximately

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<sup>1/</sup> See *Federal-State Joint Board on Universal Service, Recommended Decision*, FCC 96J-3 (rel. Nov. 8, 1996) ("Recommended Decision"); *Common Carrier Bureau Seeks Comment on Universal Service Recommended Decision*, Public Notice, DA 96-1891 (rel. Nov. 18, 1996).

20,000 students in this area. The area is rural, isolated, and sparsely populated, and has traditionally been under-served in many academic disciplines.

PACE has developed an innovative plan for the efficient use of instructional television fixed service (ITFS)<sup>2/</sup> channel capacity in an isolated six-county area in northern Michigan. Through careful spectrum planning, PACE plans to establish a wireless digital network using ITFS frequencies, which will provide fast and efficient communications within and among local school districts, and provide the schools with much needed connections to the Internet. The plan will provide both dramatic cost savings and a quantum leap in educational benefits for thousands of Michigan students. The proposed system will interconnect the schools of its member school districts through a system of point-to-multipoint ITFS stations, effectively creating a wide-area network for the transmission of Internet content and locally originated information among the schools. Implementation of the system will require the purchase, installation, and maintenance of digital transmitters and receivers, network routers and gateways, and other components of a wireless data network.

PACE's proposed system offers a cost-effective solution to the problem of linking schools and classrooms to the global information infrastructure in a rural setting where the distances between schools is great and traditional telecommunications facilities are unavailable or prohibitively expensive. PACE believes that this is the kind of innovative advanced information system Congress envisioned when it enacted the provisions for schools and libraries in Section 254(h). Congress recognized that:

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<sup>2/</sup> See 47 C.F.R. §§ 74.901 et. seq.

The ability of K-12 classrooms . . . to obtain access to advanced telecommunications service is critical to ensuring that these services are available on a universal basis. The provisions of [Section 254(h)] will help open new worlds of knowledge, learning and education to all Americans -- rich and poor, rural and urban.<sup>3/</sup>

PACE's proposed system will further these goals in a new and cost-effective way, and should be eligible for universal service support under the Joint Board's recommended decision.

The Joint Board recommended that wireless services purchased by schools, whether for communications between schools, between schools and outside parties, or between classrooms within a school be eligible for discounts.<sup>4/</sup> The Joint Board recommended that routers, hubs, network file servers, and wireless LANs be eligible for discounts as well.<sup>5/</sup> The principle of technological and competitive neutrality dictates that PACE's system, assembled from a combination of commercial, educational, and internally developed components, compete on an equal footing with wholly commercial systems.<sup>6/</sup> Moreover, because such systems can be developed at a much lower cost than comparable commercial systems, their eligibility for universal service funding will reduce the overall funding requirements and make more money available for advanced information systems nationwide.

PACE urges the Commission to adopt the Joint Board's recommendation to fund connections to the Internet for schools and classrooms through a discount program, and to clarify

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<sup>3/</sup> Conference Report, S. Rep. No. 230, 104th Cong., 2d Sess. 132 (1996).

<sup>4/</sup> Recommended Decision, ¶ 482.

<sup>5/</sup> *Id.*, ¶ 477.

<sup>6/</sup> See Recommended Decision, ¶ 23 (universal service support mechanisms to be applied in a competitively and technologically neutral manner).

that alternatives to commercial turn-key systems are encouraged by making system components eligible for discounts as well.

Respectfully submitted,

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Dated: December 19, 1996

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Comments of the Pace Telecommunications Consortium was sent by messenger or first-class mail, postage prepaid, on this 19th day of December, 1996 to the Service List for Docket No. 96-45.

  
Carol Nyhof

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